

**IN THE SECOND SESSION OF THE SEVENTH PARLIAMENT OF
THE FOURTH REPUBLIC OF GHANA**

REPORT OF THE COMMITTEE ON ROADS AND TRANSPORT

ON THE

**CONTRACT AGREEMENT BETWEEN THE GOVERNMENT OF
THE REPUBLIC OF GHANA (MINISTRY OF AVIATION) AND
QUEIROZ GALVAO CONSTRUCTIONS UK LIMITED
REPRESENTED BY CONSTRUTORA QUEIROZ GALVÃO S.A
SUCURSAL GHANA FOR AN AMOUNT OF SEVENTY MILLION
UNITED STATES DOLLARS (US\$70,000,000.00) FOR THE
CONSTRUCTION OF THE SECOND PHASE OF THE TAMALE
INTERNATIONAL AIRPORT**

PARLIAMENT OF GHANA LIBRARY

23rd July, 2018

1. INTRODUCTION

On Wednesday, 18th July 2018, the Rt. Hon. Speaker laid before the House the Contract Agreement between the Government of the Republic of Ghana (represented by the Ministry of Aviation) and Queiroz Galvao Constructions UK Limited for the construction of the Second Phase of the Tamale International Airport.

Subsequently, the Rt. Hon. Speaker referred the Agreement to the Committee on Roads and Transport for consideration and report in accordance with Article 181(5) of the 1992 Constitution and Order 189 of the Standing Orders of the Parliament of Ghana.

The Committee met with the Hon. Minister of Aviation, Ms. Cecilia Abena Dapaah, her Deputy Minister, Hon. Kwabena Okyere Darko-Mensah, her technical team and officials of the Ghana Airport Company limited and considered the referral. The Committee in accordance with Order 161 of the Standing Orders of the House presents its report as follows.

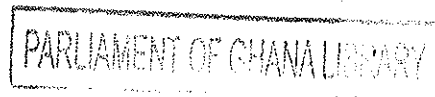
2. BACKGROUND

The House would recall that it approved phase I of the Contract Agreement between the Government of Ghana and the Construction Queiroz Galvao SA of Brazil in 14th November, 2013. Phase II of this project was submitted to Parliament for statutory approval on 31st October 2016. The project then was to be financed by Banco Santander with an export credit guarantee from United Kingdom Export Finance.

4. JUSTIFICATION FOR THE PROJECT

- The Development of the Tamale International Airport is expected to boost domestic and regional air travels which will facilitate industrialization and rapid socio-economic development.
- The International Airport will boost the exploration of the National Historic Heritage and the development of Eco-Tourism and Cultural Tourism of the Savannah Regions.
- The Tamale International Airport is also expected to support the Agricultural sector by leveraging the export of fresh produce and support an agro-based national strategic goal that would lead to the establishment of agro-based industries.
- The project will facilitate international travel for Hajj pilgrimage by the large Muslim population in Northern Ghana and from the Sahelian countries.
- Tamale International Airport when completed will serve as the alternative international destination point to the Kotoka International Airport in case of an emergency or Airport closure.
- Tamale International Airport will be positioned to host the Maintenance, Repair and Overhaul (MRO) facility for Ghana and other African Airlines

5. SCOPE OF PROJECT



The project involves the following:

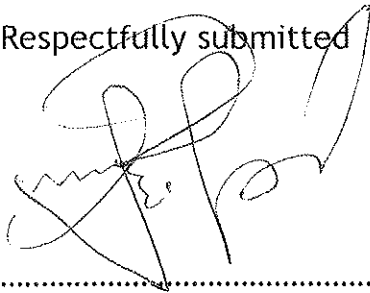
- Scope of work design for phase II.
- The Construction of a modular Airport Terminal building of approximately 5000sq meters which is expandable in the future.

6. OBSERVATIONS AND RECOMMENDATION

1. The Committee took note of the fact that the project is a turnkey project and the cost of the Phase II of the Tamale International Airport amounts to US\$70 Million. The financing terms of the two credit agreements is being financed under the United Kingdom Export Finance (UKEF) facility Agreement with an inflow of US\$56 Million and a Tied Commercial Facility of US\$24 Million.
2. The Committee noted that under the Contract Agreement, the contractor is obliged to comply with the tax laws permissible under the project contract agreement and applicable in the Tax Laws of the Republic of Ghana.
3. The Committee was informed that current facilities at the Airport constructed under Phase I is jointly used by Ghana Airport Company Limited (GACL) and the Ghana Airforce. Phase II however, would be solely manned and used by GACL.
4. The Committee was further informed that Phase II, among others would see the development of the entire Tamale Airport into modern infrastructure with all the aviation and non-aviation relevant facilities catered for in the project.
5. The Committee was told that Traditional Authorities have made available to Government, 4,000 acres of land for the project.
6. The Committee expressed concern over possible litigation issues that may arise from the acquisition of land for the project. However, the Ministry explained that all lands earmarked for the project were freed from litigation and that the Regent of Dagbon has brokered a peace deal.

Construtora Queiroz Galvao S.A Sucusal Ghana, for an amount of Seventy Million United States Dollars (US\$70,000,000.00) for the Design and Construction of the Second Phase of the Tamale International Airport.

Respectfully submitted



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HON. SAMUEL AYEH-PAYE
CHAIRMAN, COMMITTEE ON
ROADS AND TRANSPORT



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MR. ASANTE AMOAKO-ATTA
CLERK, COMMITTEE ON
ROADS AND TRANSPORT